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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 22, 1988

Mr. Roy Benson
Geneva Steel Corporation
P.O. Box 20-B, RFD #1
Santaquin, Utah 84655

Dear Mr. Benson:

Re: Reclamation at the Mountain Lion Dump Site, Geneva Steel,
M/021/008, Iron County, Utah

Thank you for meeting with Division representatives, Wayne Hedberg and Holland Shepherd on July 8, 1988 and touring with them at the Iron Mountain site. According to Mr. Shepherd, our Reclamation Soils and Revegetation Specialist, the 80 acre Mountain Lion Dump site looks ready for release from any further reclamation responsibility. Mr. Shepherd informed me that the vegetative cover at the site, though not meeting the 70% standard, is sufficient to provide adequate cover at this time. Mr. Shepherd indicated that this site is stable and the vegetation will persist and continue to increase over time.

In releasing Geneva Steel from any further obligation at the Mountain Lion Dump site, we will be able to subtract the amount of bond money allotted to this site from the total Iron Mountain bond. This amount would be 80 acres x \$250/acre = \$20,000. Geneva Steel can elect to maintain the surety bond at it's current value, or request a reduction for the surety required to cover the Iron Mountain sites. The current amount, for the permitted acreage to be transferred from U.S. Steel to Geneva Steel, is \$78,200. By releasing the Mountain Lion Dump site this would reduce your bond requirement to \$58,200.

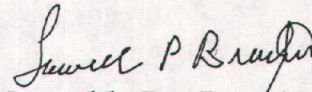
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Wayne Hedberg and Holland Shepherd also looked at the Blackhawk Fines area, of your Iron Mountain permit. Mr. Shepherd has informed me that the Blackhawk fines area will be difficult to reclaim, and presently the vegetative cover, at this site, is of poor quality. He informed me that he would like to wait another year before making any decision on releasing this area or not.

Good luck with your future endeavors at the Iron Mountain site.

Sincerely,



Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

jb
cc: W. Hedberg
H. Shepherd
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